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SUBJECT: LICENSING CONDITIONS IN THE TELECOMMUNICATIONS  
SECTOR IN SRI LANKA

REF: STATE 114687

1. In Sri Lanka, the Telecommunications Regulatory Commission of Sri Lanka (TRCSL) charges fees in connection with licensing fixed line services in excess of what is required to cover administrative expenses. The level of fees depends on the type of license to be issued and licensing conditions. The purpose of the fees is to generate government revenue and to contribute to telecommunications infrastructure development. TRCSL issues countrywide licenses that are not limited to a given geographical area. However, in some cases, the operators need to fulfill obligations regarding rural telephony development. TRCSL has so far not revoked licenses for not meeting initial obligations. TRCSL issues both facilities based and non-facilities based licenses. According to industry sources, license fees are for the most part reasonable and fairly assessed.

2. In some instances, the TRCSL imposes capitalization requirements to ensure rural rollout and other commitments related to services. The regulator does not issue geographical area based licenses.

3. The TRCSL does not require build-out investments.

Lunstead